

**Hurstville Security And Neighborhood
Improvement District
New Orleans, Louisiana**

Annual Financial Statements And
Report On Applying Agreed-Upon Procedures

Year Ended December 31, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/4/10

Table Of Contents

	Statement	Page
Transmittal Letter		1
Required Supplementary Information (Part I)		
Management's Discussion And Analysis		3
Financial Section		
Accountant's Review Report		7
Basic Financial Statements		
Government-Wide Financial Statements		
Statement Of Net Assets	A	8
Statement Of Activities	B	9
Fund Financial Statements		
Balance Sheet	C	10
Reconciliation Of The Governmental Funds Balance Sheet To The Government-Wide Statement Of Net Assets	D	11
Statement Of Revenues, Expenditures, And Changes In Fund Balance	E	12
Reconciliation Of The Statement Of Revenues, Expenditures And Changes In Fund Balances Of Governmental Funds To The Statement Of Activities	F	13
Notes To Financial Statements		14

Table Of Contents (continued)

	Statement	Page
Required Supplementary Information (Part II)		
Schedule Of Revenues, Expenditures And Changes In Fund Balance – Budget And Actual – General Fund		20
Other Reports And Supplemental Information		
Independent Accountants' Report On Applying Agreed-Upon Procedures		22
Other Schedules		
Management's Corrective Action Plan For Current Year Findings		27
Summary Schedule Of Prior Year Findings		28
Louisiana Attestation Questionnaire		Appendix

PEDELAHORE & CO., LLP
Certified Public Accountants

June 30, 2010

Office of Legislative Auditor
Attention: Ms. Suzanne Elliot, CPA
Post Office Box 94397
1600 North Third Street
Baton Rouge, Louisiana 70804-9397

Re: Hurstville Security and Neighborhood Improvement District
New Orleans, Louisiana

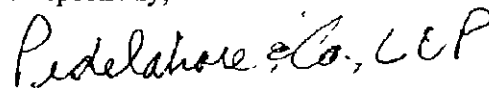
Dear Ms. Elliot:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for Hurstville Security and Neighborhood Improvement District (the "District") as of and for the year ended December 31, 2009. Also attached (but not bound herein) is the Data Collection Form concerning this engagement.

The report includes all funds under the control and oversight of the District. Also, as indicated in Note 2 to the financial statements, there are no component units included in the District's reporting entity. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Additionally, copies of the financial reports referred to above have been distributed to the Board of Commissioners of the District.

Respectfully,



Pedelahore & Co., LLP
Certified Public Accountants

Required Supplementary Information (Part 1)

Hurstville Security And Neighborhood Improvement District
New Orleans, Louisiana

Management's Discussion And Analysis
Year Ended December 31, 2009

Our discussion and analysis of the Hurstville Security and Neighborhood Improvement District's (the "District's") financial performance provides an overview of the financial activities for the fiscal year ended December 31, 2009. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Financial Highlights

The financial statements included in this report provide insight into the financial status for the year. The District's operations increased total net assets by \$91,763 and resulted in ending net assets of \$140,473 or an increase of 188%.

The total spending for the governmental activity was \$249,702 for the year, which was \$ 91,763 less than the taxes (and interest) received for this activity, which totaled \$341,465.

The interest earned on bank certificate of deposits accounts was \$982 for the year.

Overview Of The Financial Statements

This annual report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and other supplementary information, including other reports and schedules by certified public accountants and management. The District's operations are conducted through a general fund.

Government-Wide Financial Statements

The statements in this section include the Statement Of Net Assets and the Statement Of Activities.

The Statement Of Net Assets includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by private businesses. The difference between total assets and total liabilities is net assets, which may provide a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement Of Activities presents information showing how the District's assets changed as a result of current year operations. The statement is also prepared using the accrual basis of accounting. In this method, all revenues and expenditures are recognized regardless of when the cash is received or disbursed.

Fund Financial Statements

Due to the nature of organization and its present operations, the District uses only the governmental type of fund. The basic services of the District are reported in the general fund, which focuses on how money flows into and out of the District and the balance left at the end of the year. The revenues and expenditures of the general fund are reported (in the statement of revenues, expenditures and changes in fund balance) using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental fund information (presented in the balance sheet) helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's program. We describe the relationship (or difference) between the governmental activities (reported in the Statement Of Net Assets and the Statement Of Activities) and governmental funds in reconciliations immediately following the fund financial statements.

Financial Analysis Of The District

Summary Statement Of Net Assets As Of December 31, 2009 And 2008

	<u>2009</u>	<u>2008</u>
Current and other assets		
Total assets	<u>\$ 145,063</u>	<u>\$ 54,938</u>
Current liabilities		
Total liabilities	<u>4,590</u>	<u>6,228</u>
Net Assets		
Unrestricted	<u>140,473</u>	<u>48,710</u>
Total Net Assets	<u>\$ 140,473</u>	<u>\$ 48,710</u>

The District does not have any "restricted" net assets. Unrestricted net assets are net assets that do not have any limitations on how these amounts may be used or expended.

As noted above, the net assets of the District increased by \$ 91,763 or 188% from January 01, 2009 to December 31, 2009.

Summary Statement Of Activities
Years Ended December 31, 2009 And 2008

	<u>2009</u>	<u>2008</u>
Revenues	\$ 341,465	\$ 286,634
Expenditures	<u>249,702</u>	<u>237,924</u>
Change In Net Assets	<u>\$ 91,763</u>	<u>\$ 48,710</u>

Budgetary Highlights

The original budget was amended during the year to reflect the receipt of prior year parcel fee revenues, a decrease in expected interest income, patrol expenses and administration/overhead fees, and an expected increase in website expenses.

The variances between budgeted and actual amounts are summarized as follows:

Revenue – Overall favorable variance of \$4,465, or 1.3%, due to:

- Receipt of prior years revenue collections
- Interest earnings which were not included in the amended budget

Expenditures – Overall favorable variance of \$28,498, or 10.2%, due to:

- Decrease in website costs compared to the amended budget
- No need for the contingency expenses budgeted for the year
- No increase in patrol expenses as provided for in the budget

Economic Factors And Next Year's Budget And Rates

For 2010 the District's budget indicates an increase of the current fee from \$430 to \$460 per parcel of real property, while maintaining the number of taxable properties from the original 2009 budget numbers of 736 parcels. Subsequent reports indicate that the City levied 758 parcels at the rate of \$455 per parcel. Expenses are anticipated to increase in 2010 due to a possible increase in the level of service or increased patrol costs during the year. Overall, the District expects that next year's results will closely reflect the budgeted amounts.

Contacting The District's Financial Management

This report is designed to provide our residents of the District and others with a general overview of the District's finances and to show the District's accountability for the money it received. Any questions about this report or requests for additional information may be directed to the District's Executive Director, Ms. Shelley Landrieu, located at 5329 Dryades Street, Unit A, New Orleans, Louisiana 70115.

Financial Section

PEDELAHORE & CO., LLP

Certified Public Accountants

Accountants' Review Report

To the Board of Commissioners
Hurstville Security and Neighborhood Improvement District
New Orleans, Louisiana

We have reviewed the accompanying basic financial statements of Hurstville Security and Neighborhood Improvement District, as of and for the year ended December 31, 2009, as listed in the table of contents, in accordance with *Statements on Standards for Accounting and Review Services* issued by the *American Institute of Certified Public Accountants*. All information included in these basic financial statements is the representation of management of the District.

A review consists principally of inquiries of District personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Management's Discussion and Analysis and budgetary comparison information as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the *Governmental Accounting Standards Board*. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

In accordance with *Louisiana Governmental Audit Guide* and the provisions of the state law, we have issued a report, dated June 30, 2010, on the results of our agreed-upon procedures.

Pedelahore & Co., LLP

June 30, 2010

Hurstville Security And Neighborhood Improvement District
Statement Of Net Assets
December 31, 2009

Statement A

Assets

Cash	\$ 143,908
Prepaid expenses	<u>1,155</u>
Total Assets	<u>145,063</u>

Liabilities

Accrued expenses	<u>4,590</u>
Total Liabilities	<u>4,590</u>

Net Assets

Unrestricted net assets	<u>140,473</u>
Total Net Assets	<u><u>\$ 140,473</u></u>

See accompanying notes and accountant's report.

Hurstville Security And Neighborhood Improvement District

Statement of Activities

For The Year Ended December 31, 2009

Statement B

Expenditures

Patrol and security services	\$ 187,644
Administration fee and overhead	16,667
Accounting services	3,390
Website	1,027
Insurance	<u>40,974</u>

Total Expenditures	<u>249,702</u>
--------------------	----------------

Revenues

Parcel fees (net of collection fees)	340,483
Interest earned	<u>982</u>

Total Revenues	<u>341,465</u>
----------------	----------------

Change In Net Assets	91,763
-----------------------------	--------

Net Assets At Beginning Of Year	<u>48,710</u>
---------------------------------	---------------

Net Assets At End Of Year	<u><u>\$ 140,473</u></u>
----------------------------------	--------------------------

See accompanying notes and accountant's report.

Hurstville Security And Neighborhood Improvement District

Balance Sheet

General Fund - Governmental Fund

December 31, 2009

Statement C

Assets

Cash	\$ 143,908
Prepaid Expenses	<u>1,155</u>
Total Assets	<u>\$ 145,063</u>

Liabilities And Fund Balance

Accrued expenses	<u>\$ 4,590</u>
Total Liabilities	<u>4,590</u>
Fund balance - unreserved and undesignated	<u>140,473</u>
Total Liabilities And Fund Balance	<u>\$ 145,063</u>

See accompanying notes and accountant's report.

Hurstville Security And Neighborhood Improvement District
Reconciliation Of The Governmental Funds Balance Sheet
To The Government - Wide Statement Of Net Assets
December 31, 2009

Statement D

Fund Balance - Governmental Fund (Statement C)	\$ 140,473
---	-------------------

Amount reported for governmental activities in the statement of net assets
(government-wide financial statements) are different because:

There are no differences noted

-

Net Assets Of Governmental Activities (Statement A)	<u>\$ 140,473</u>
--	--------------------------

See accompanying notes and accountant's report.

Hurstville Security And Neighborhood Improvement District
Statement Of Revenues, Expenditures, And
Changes In Fund Balance
General Fund - Governmental Fund
For The Year Ended December 31, 2009

	Statement E
Revenues	
Parcel fees (net of collection fees)	\$ 340,483
Interest earned	<u>982</u>
Total Revenues	<u>341,465</u>
 Expenditures	
Patrol and security services	187,644
Administration fee and overhead	16,667
Accounting services	3,390
Website	1,027
Insurance	<u>40,974</u>
Total Expenditures	<u>249,702</u>
 Net Change In Fund Balance	 91,763
Fund Balance At Beginning Of Year	<u>48,710</u>
 Fund Balance At End Of Year	 <u><u>\$ 140,473</u></u>

See accompanying notes and accountant's report.

Hurstville Security And Neighborhood Improvement District
Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Year Ended December 31, 2009

Statement F

Net Change In Fund Balance - Governmental Fund (Statement E) \$ 91,763

Amounts reported for governmental activities in the statement of activities
(government-wide financial statements) are different because:

There are no differences.

 -

Change In Net Assets Of Governmental Activities (Statement B) \$ 91,763

See accompanying notes and accountant's report.

Hurstville Security And Neighborhood Improvement District
Notes To Financial Statements
Year Ended December 31, 2009

Note 1. Introduction

The Hurstville Security and Neighborhood Improvement District (the "District") is a special taxing district created by Act 151 of Regular Session of 2007 of the Louisiana Legislature (Louisiana Revised Statute 33:9091.11), for the purpose of promoting and encouraging the security in the area included within the District and promoting and encouraging the beautification and overall betterment of the district.

The District is governed by a Board consisting of nine members (commissioners) who are residents within the District. The commissioners are appointed by certain organizations within the District, the mayor, and the state senator, state representative and city council member representing the District. Commissioners are appointed on a rotating and staggered schedule of four-year terms, and serve without compensation.

The boundaries of the District are areas within the following perimeter: Magazine Street (both sides) from Valmont Street to Nashville Avenue (downtown side only), to Hurst Street (river side only), to Arabella Street (downtown side only), to St. Charles Avenue (lake side only), including the parcel at the corner of the river side of St. Charles Avenue and the downtown side of Arabella Street, to Nashville Avenue (downtown side only), to Loyola Avenue (both sides), to Octavia Street (both sides), to Liberty Street (both sides), to Jefferson Avenue (uptown side only), to Prytania Street (excluding all municipal numbers in this portion of Prytania Street), to Valmont Street (both sides) to Magazine Street. The District includes approximately 758 taxable properties.

The District has no employees and has contracted out the administrative function of the organization to an independent contractor that provides an office and a professional staff member. Patrol services are also provided by independent contractors.

As approved by a majority of voters of the District on November 17, 2007, the operations of the District has been funded beginning in 2008 by the imposition of a special parcel fee on all taxable real property within the District.

Hurstville Security And Neighborhood Improvement District
Notes To Financial Statements
Year Ended December 31, 2009

Note 2. Summary Of Significant Accounting Policies

Basis of Presentation

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial statements - and Management's Discussion and Analysis - For State and Local Governments*, issued in June 1999.

Reporting Entity

The Hurstville Security and Neighborhood Improvement District is the basic level of government, which has financial accountability and control over all affairs of the District related to promoting and encouraging the security of the Hurstville area in Orleans Parish. The District is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, because the majority of Board members are appointed by the public, and said Board has decision making authority, the authority to set rates (within legally prescribed limits), the power to designate management, the ability to significantly influence operations, and has primary accountability for fiscal matters. In addition, there are no component units as defined in GASB Statement 14, which are included in the District's reporting entity.

Fund Accounting

Due to the nature of the organization and its present operations, all revenues and expenditures of the District are accounted for in the General Fund, a governmental fund type. This fund is the general operating fund of the District. It is used to account for all financial resources of the District.

Basis of Accounting

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities report information about the District as a whole. These statements include all the financial activities of the District. Information contained in these statements reflects the

Hurstville Security And Neighborhood Improvement District
Notes To Financial Statements
Year Ended December 31, 2009

economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Fund Financial Statements

The amounts reflected in the General Fund Statements, are accounted for using a current financial resources measurement focus. Measurement focus refers to what is being measured; basis of accounting refers to timing of when revenues and expenditures are recognized in the accounts and reported in the financial statements.

All revenues and expenditures of the District are accounted for in the General Fund (a governmental fund type). Governmental funds use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual, i.e., when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred, if measurable.

Reconciliation

Explanation of certain differences and the related reconciliations between the fund financial statements and government-wide financial statements are presented on pages 11 and 13.

Budget Practices

The proposed budget, prepared on the modified accrual basis of accounting, is submitted to the Board of Commissioners prior to the beginning of each fiscal year. The budget is made available for public inspection and is then legally adopted by the Board. The budget is established and controlled by the District, and is amended during the year, as necessary. All budgetary appropriations lapse at the end of the year and must be reappropriated for the following year to be expended.

Hurstville Security And Neighborhood Improvement District
Notes To Financial Statements
Year Ended December 31, 2009

Deposits

Cash and cash equivalents includes amounts in interest bearing demand deposits. Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

At December 31, 2009, the District had cash (book balances) totaling \$143,908 in non-interest bearing demand deposits and interest bearing certificate of deposits. These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. At December 31, 2009, the District had \$22,261 in checking account deposits (collected bank balance) and \$129,112 in certificate of deposits (collected bank balance) insured by FDIC coverage.

Investments

The District does not have any investments other than cash invested in a non-interest bearing checking account and an interest bearing certificate of deposit.

Risk Management

The District is exposed to various risk of loss related to torts; and theft of, damage to and destruction of assets. To handle such risk of loss, the District maintains commercial insurance policies covering general liability, property insurance and worker's compensation.

Note 3. Parcel Fees

Annually, the District submits a plan to the City Council of New Orleans to levy and collect a parcel fee, not to exceed \$500 in 2008 and not to exceed \$500 plus annual increases of twenty-five dollars for each year from 2009 through 2014 per improved parcel of land located within the boundaries of the District.

The City of New Orleans levies and collects the special fees for the District in the same manner and at the same time as ad valorem taxes on property subject to taxation by the City of New Orleans are levied and collected. Specifically, with

Hurstville Security And Neighborhood Improvement District
Notes To Financial Statements
Year Ended December 31, 2009

regards to the District, the special parcel fees are levied on January 1 of the current year based on a flat fee per improved parcel of land. Parcel fees are due January 1 and become delinquent on February 1. The City is permitted to retain one percent (1%) of the amount collected as a collection fee.

Parcel fees are paid over to the District from the City of New Orleans within sixty days of collection.

The District records the parcel fees as revenues in the year the taxes become due.

Note 4. Pension Plan

The District has no employees and is not a member of any retirement plan.

Note 5. Litigation And Claims

The District is not involved in any litigation and management is not aware of any claims against the District.

Note 6. Compensation Paid To Board Members

The members of the Board of Commissioners of the District receive no compensation for their services.

Note 7. Other Commitments And Contingencies

The District has an agreement with an independent contractor that provides administrative and support services to the District. The contract with this company began in December of 2007 and ended on March 31, 2009. This contract was renewed in May 2009 with terms remaining the same for 2009 and a \$100 increase to \$1,400 per month for 2010. Total expenditures under this contract for 2009 were \$15,600.

Note 8. Date Of Management's Review

In preparing the financial statements, the district has evaluated events and transactions for potential recognition or disclosure through June 30, 2010, the date the financial statements were available to be issued.

Required Supplementary Information (Part II)

Hurstville Security And Neighborhood Improvement District
Statements Of Revenues, Expenditures, And
Changes In Fund Balance
Budget And Actual - General Fund
For The Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>	
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Favorable</u> <u>(Unfavorable)</u>	<u>%</u> <u>Variance</u>
Revenues					
Parcel fees (net of fees)	\$ 299,985	\$ 337,000	\$ 340,483	\$ 3,483	
Interest earned	<u>2,500</u>	<u>-</u>	<u>982</u>	<u>982</u>	
 Total Revenues	 <u>302,485</u>	 <u>337,000</u>	 <u>341,465</u>	 <u>4,465</u>	 1.3
Expenditures					
Patrol and security services	244,055	205,200	187,644	17,556	
Administration fee and overhead	27,000	18,000	16,667	1,333	
Contingency	25,000	5,000	-	5,000	
Accounting services	5,000	5,000	3,390	1,610	
Website	1,000	6,000	1,027	4,973	
Insurance	<u>38,000</u>	<u>39,000</u>	<u>40,974</u>	<u>(1,974)</u>	
 Total Expenditures	 <u>340,055</u>	 <u>278,200</u>	 <u>249,702</u>	 <u>28,498</u>	 10.2
 Net Change In Fund Balance	 (37,570)	 58,800	 91,763	 32,963	
 Fund Balance At Beginning Of Year	 <u>40,640</u>	 <u>48,710</u>	 <u>48,710</u>	 <u>-</u>	
 Fund Balance At End Of Year	 <u>\$ 3,070</u>	 <u>\$ 107,510</u>	 <u>\$ 140,473</u>	 <u>\$ 32,963</u>	

See accountant's report.

Other Reports And Supplemental Information

PEDELAHORE & CO., LLP
Certified Public Accountants

Independent Accountant's Report
on Applying Agreed-Upon Procedures

To the Board of Commissioners
Hurstville Security and Neighborhood Improvement District
New Orleans, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Hurstville Security and Neighborhood Improvement District (the District) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Hurstville Security and Neighborhood Improvement District's compliance with certain laws and regulations during the year ended December 31, 2009, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures meeting the above criteria.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Not applicable; the District has no employees or elected officials.

3. Obtain from management a listing of all employees paid during the period under examination.

Not applicable; the District has no employees.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

Not applicable; the District has no employees.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and the budget amendments during the year.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the minutes of the meeting held on November 10, 2008 where the budget was approved. Subsequent budget amendments were traced to minutes of the meeting held on November 3, 2009.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. There were no unfavorable variances.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- (a) Trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

Accounting and Reporting

- (b) Determine if payments were properly coded to the correct fund and general ledger account; and,

All of the payments were properly coded to the correct fund and general ledger accounts.

- (c) Determine whether payments received approval from proper authorities.

Inspection of the cancelled checks for each of the six selected disbursements indicated that all checks were properly signed by authorized officials, with two signatures for those checks over \$1,500. Management has asserted that the supporting documentation was presented and approved at the time the checks were signed. Inspection of the invoices show that the check stub was attached to the invoice to indicate that the invoice was paid and approved or the invoice was initialed and the date paid indicated.

Meetings

- 9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The District is required to post a notice of each meeting by posting a copy of the notice at the principal office of the public body holding the meeting, or if no such office exists, at the building in which the meeting is to be held; or by publication of the notice in an official journal of the public body no less than twenty-four hours before the meeting.

We noted that the notice agenda and minutes available for review for one of the two meetings held contained confirmation that the appropriate public notice was posted more than twenty-four hours before the meeting. However, we were not able to examine the notice for the first of the two meetings held during the year, and the meeting minutes did not confirm that the notice was properly posted. Inquiry of the Executive Director revealed that the notices for all meetings were posted at the meeting locations.

Debt

- 10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank statements for the period under examination and noted no deposits that appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees, which may constitute bonuses, advances, or gifts.

A reading of the minutes of the District for the year indicated no approval for the types of payments noted. Inspection and testing of cash disbursements of the patrol account in the general ledger of payments to the patrol independent contractors showed no evidence of bonuses, advances or gifts.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Hurstville Security and Neighborhood Improvement District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Redelahan & Co., LLP

June 30, 2010

Other Schedules

Hurstville Security And Neighborhood Improvement District
Management's Corrective Action Plan For Current Year Findings
Year Ended December 31, 2009

We have reviewed the basic financial statements of Hurstville Security and Neighborhood Improvement District as of and for the year ended December 31, 2009, and have issued our report thereon dated June 30, 2010. In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have also issued a report, dated June 30, 2010, on the results of our agreed-upon procedures.

Current Year Findings:

Section I – Agreed-Upon Procedures

Finding 2009-1: Open Meetings Law

Finding: The Open Meetings Law requires a notice and agenda to be in writing and posted 24 hours in advance of a meeting. Although management has asserted that the agendas were in writing and properly posted for all the meetings, the agenda for the first meeting during the year was not available for review and the meeting minutes did not indicate that the notice and agenda were posted.

**Management's
response and
planned corrective
action:**

The District concurs with the finding and will take the necessary steps to confirm compliance in the minutes and retain records as required. It should be noted that the first meeting with no evidence of a written and posted agenda occurred before the 2008-1 finding was presented to the Board; all subsequent meetings have complied with the law.

Contact person: President of the Board of Commissioners.

**Anticipated
completion date:** Immediately.

Section II – Management Letter

None issued.

Hurstville Security And Neighborhood Improvement District
Summary Schedule Of Prior Year Findings
Year Ended December 31, 2009

Prior Year Findings:

Section I – Agreed-Upon Procedures

Finding 2008-1: Open Meetings Law

Finding: The Open Meetings Law requires a notice and agenda to be in writing and posted 24 hours in advance of a meeting. No evidence was found of the proper posting of meeting notices and agendas for certain meetings.

Status: Resolved for meetings subsequent to notification of Finding 2008-01; (see Finding 2009-01).

Section II – Management Letter

None issued.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

April 26, 2010 (Date Transmitted)

Pedelahore & Co., LLP
1010 Common St., Suite 2100
New Orleans, LA. 70112

(Auditors)

In connection with your review of our financial statements as of December 31, 2009 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of April 26, 2010.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-16), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with R.S. 24:514, 33:463, where applicable.

Not applicable; see next item

Yes ☐ No ☐

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [☒] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:1 through 42:13.

Yes [☒] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and RS 39:1410.60-1410.65.

Not applicable

Yes [☒] No []

Advances and Bonuses

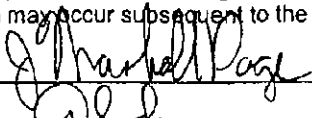

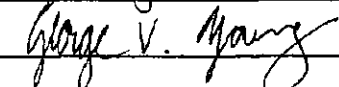
It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Not applicable

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

	Secretary	5-9-10	Date
	Treasurer	5-8-10	Date
	President	5-6-10	Date